



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
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FORM 2

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APR 22 2008

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RAPID CITY

State of South Dakota
Department of Environment
and Natural Resources

APPLICATION FOR PERMIT TO DRILL

Type of well:
☒ Oil Well ☐ Reenter Well ☐ Drill Directional Well
☐ Other

Type of well:
☐ Oil Well ☒ Gas Well ☐ Injection
☐ Other

Name and Address of Operator: Spyglass Cedar Creek, LP. 595 S. Castell Ave., New Braunfels, Texas 78130 Telephone (830) 626-7100

Name and Address of Surface Owner: Donn Hett P.O. Box 395 Buffalo, SD 57720

Name and Address of Drilling Contractor and Rig Number: Elenburg Exploration Rig 8 1910 N. Loop, Casper, WY 82602

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): 1900' FNL, 800' FEL Sec 24

SE NE Sec 24 T18N R3E Harding County SD Lat. = 45.511254086 Long. = -103.691633141

If Directional, top of pay and bottom hole location from nearest lines of section:

Acres in Spacing (Drilling) Unit 320 Description of Spacing Unit N/2 ~~SE NE~~ Sec 24 T18N R3E Jrs

| Well Name and Number | | Elevation | Field and Pool, or Wildcat | | Proposed Depth and Formation |
|----------------------|----------------|-----------------|----------------------------|---|------------------------------|
| Hett 8-24 | | 3000 | Wildcat | | 2200 Eagle/Shannon |
| Size of Hole | Size of Casing | Weight per Foot | Depth | Cementing Program (amount, type, additives) | Depth |
| 1) 9 7/8 | 7 | 17 | 430 | 200 sks, Class g 2% CaC12 | Surf |
| 2) 6 1/4 | 4 1/2 | 10.5 | 2200 | .25#SK Celloflake, 100% excess | 2200 |
| 3) | | | | 105 SKS, Lite 1500, 2%CaCl. .25 | to |
| 4) | | | | 125 SKS G 1% CaCi, .7%CFL, .25#/sk | surf |

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.

Drill with Fresh Water mud to 2200', 12 mil pit liner in place. Anticipated Spud date May 15, 2008.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Signature: [Signature] Name (Print): Kevin Sellers Title: General Partner Date: 04/14/2008

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Approved By: [Signature] Title: Oil and Gas Supervisor
Permit No. 1869 API No. 40 063 20644 Date Issued: May 22, 2008
Conditions, if any, on attached page.